

# Britain and the politics of modernization in the Middle East, 1945–1958

Paul W. T. Kingston

*University of Toronto*



**CAMBRIDGE**  
UNIVERSITY PRESS

PUBLISHED BY THE PRESS SYNDICATE OF THE UNIVERSITY OF CAMBRIDGE  
The Pitt Building, Trumpington Street, Cambridge, United Kingdom

CAMBRIDGE UNIVERSITY PRESS

The Edinburgh Building, Cambridge CB2 2RU, UK  
40 West 20th Street, New York NY 10011-4211, USA  
477 Williamstown Road, Port Melbourne, VIC 3207, Australia  
Ruiz de Alarcón 13, 28014 Madrid, Spain  
Dock House, The Waterfront, Cape Town 8001, South Africa  
<http://www.cambridge.org>

© Cambridge University Press 1996

This book is in copyright. Subject to statutory exception  
and to the provisions of relevant collective licensing agreements,  
no reproduction of any part may take place without  
the written permission of Cambridge University Press.

First published 1996

First paperback edition 2002

*A catalogue record for this book is available from the British Library*

*Library of Congress Cataloguing in Publication data*

Kingston, P. W. (Paul W.)

Debating development: Britain and the politics of modernization  
in the Middle East, 1945-1958 / Paul W. T. Kingston  
p. cm. - (Cambridge Middle East Studies: 4)

Includes bibliographical references (p. ) and index.

ISBN 0 521 56346 1 (hc)

1. Economic assistance, British - Middle East. 2. Great Britain -  
Foreign economic relations - Middle East. 3. Middle East - Foreign  
economic relations - Great Britain. 4. Middle East - Economic  
conditions - 1945-1979. 5. Rural development - Middle East

I. Title. II. Series.

HC415.15.K558 1996

338.9'1'0956-DC 95-50934 CIP

ISBN 0 521 56346 1 hardback

ISBN 0 521 89439 5 paperback

# Contents

---

<i>Acknowledgements</i>	<i>page x</i>
Introduction	
1 Britain, peasants, and pashas: debating approaches to modernization in the postwar Middle East	10
2 Imperial dreams and delusions: the economics of promoting Middle East modernization	29
3 The British Middle East Office and the abandonment of imperial approaches to modernization	46
4 The British Middle East Office and the politics of modernization in Iran, 1945 to 1951	67
5 The British Middle East Office and the politics of modernization in Iraq, 1945 to 1958	94
6 The British Middle East Office and the politics of modernization in Jordan, 1951 to 1958	123
Conclusion: 'hastening slowly'	154
<i>Notes</i>	158
<i>Bibliography</i>	184
<i>Index</i>	189

## Introduction

---

In the last half of the twentieth century, the world community underwent a remarkable expansion. Sparked by the declining capacity of western powers to maintain the colonial project, the rise of colonial nationalist movements in Asia, the Middle East and Africa, and the more general changes in the structure and ideology of the international system epitomized by the creation of the United Nations in 1945, state after state on the periphery began to acquire its political independence. As this process of decolonization progressed, a new phase emerged grounded in the desire of these countries to back up their newly found political independence with economic viability. It is this – the development phase of the postwar world – which sets the scene for what follows.

Transforming these former satellites into modern states was a monumental task. Life for the majority of its people was insecure, ‘nasty, brutish and short’ with disease and starvation ever-present realities. In the West, it had taken a cumulative process over centuries to alleviate such conditions. With the onset of decolonization, however, which brought the plight of the non-western world to the doorsteps of the West, this past reliance on a ‘natural’ process of growth and development was no longer felt acceptable nor conducive in the long run to global stability. In its place, a more positivistic notion emerged that ‘development’ should be systematically pursued, induced and accelerated, a notion reinforced by the belief that ‘modernity’, soon to be represented in the Third World by planners, Third World technocrats, and foreign aid workers, now possessed the means to pull the ‘undeveloped’ world out of the depths of poverty. This book, a history of the Development Division of the British Middle East Office (BMEO)<sup>1</sup> between the years 1945 and 1958, is an evaluation of these ambitious and optimistic postwar attitudes towards the ability of any of these groups to accelerate the pace of economic development.

There were many factors which fuelled this postwar optimism. The West, eager to gain the political favour of the emerging nations of the world and thus prevent their drift towards communism, portrayed

economic and technical assistance as being a crucial variable in the fight to alleviate poverty and disease. This was especially so after the 'loss' of China in 1949. They characterized the underdeveloped world as being a victim of a 'vicious circle of poverty' which, in the absence of external stimuli, would perpetuate indefinitely. Particularly strong emphasis in the early years was placed on the importance of technological transfer. This was embodied in the launching of two world-wide initiatives in the technical assistance field in the early postwar years: the Point Four programme of the United States in 1949 and the Expanded Technical Assistance Programme of the United Nations in 1950.

In the Third World, however, many doubted whether the mere transfer of resources from the rich states to the poor would be adequate in itself. Instead, it called for a concentration and a rational allocation of those resources and based this approach on the moral argument that the Third World could not afford the gradualness that typified change in the developed countries nor was such a strategy feasible. Economic development had to come quickly and, given the structural obstacles which existed both at the domestic and international level, such speed could only be achieved if one's strategy was based on a centralization of economic control. In other words, it was only the state which could provide the necessary impetus to break the 'vicious circle of poverty' which afflicted most of the Third World and this belief was backed up by the experience of *étatist* experiments in the USSR, the fascist states of Europe, and even in the Middle East where both Turkey and Iran dabbled with such policies during the interwar period. Moreover, while attractive enough in their own right, these ideas also captured the political imagination of Third World leaders who were eager to abandon old colonial models and adopt others more in keeping with a new spirit of nationalism which was emerging in the underdeveloped world, a political marriage which, as the pre-eminent Swedish economist, Gunnar Myrdal, stated, 'gave the idea of planning an emotional momentum that it never would have obtained merely as a rational conclusion from knowledge of the facts'.<sup>2</sup>

It was in the context of this emerging optimism about the prospects for accelerated growth in the 'undeveloped world' that Britain launched its development programme for the Middle East in 1945. In fact, Britain was the first country in the western world to do so. It was not a global initiative, being confined to the Middle East, nor should it be confused with policies of colonial development whose conditions and antecedents obviously go back much further. Nonetheless, it predated both Truman's Point Four initiative as well as those of the United Nations, including most of the specialized agencies. Its purpose was mainly political, aimed at and designed to win the support of political élites in the Middle East,

particularly the younger more progressive ones who, given their increasingly radical, nationalistic, and anti-western tone after the Second World War, posed serious dangers to the old imperial order. As the Middle East was an area of extreme strategic importance to Britain, second only to the 'jewel in the crown' India, British policy makers were determined to preserve what goodwill towards them remained in the region – not considered negligible in the early postwar years – and thus maintain the region's stability and importance as a vital strategic component of its wider imperial system.<sup>3</sup> The postwar Labour Government in Britain and especially its Foreign Secretary, Ernest Bevin, was no different in that regard than the Conservative Governments which preceded it.<sup>4</sup> Moreover, the policy was based on the assumption of a positive relationship between economic development and political modernization; in other words, economic progress was expected to bring political stability. The agent of this development programme was to be the British Middle East Office.

The task and challenge of this work is to describe and evaluate the effectiveness of this pioneering British foray into bilateral development assistance. This will not be an easy nor conclusive task. Debates about the effectiveness of development assistance are both complex and notoriously politicized. Basic questions such as what is the real purpose of development, who are the most appropriate agents of development, and what is the best kind of development assistance remain unresolved and often endlessly debated in abstract, ideological terms separated from the real contexts in which they must be situated. This has clouded the even more complex task of trying to evaluate the often contradictory if not dialectical effects of development programmes. Often, there are real trade-offs to be made – between growth and equity, short-term impact versus long-term sustainability, central direction versus social participation. Rarely have the choices been easy and never has 'modernization' proven to be the kind of linear process predicted by the early optimistic development theorists.

Nevertheless, the evaluation of development assistance remains a necessary exercise and it is therefore important to establish some criteria which can guide our judgements. Three criteria stand out as being useful in providing at least a rudimentary framework for analysis: the political motivations behind the provision of development assistance, the economic model which guides development policy decisions, and the mechanisms used to deliver development assistance. It is generally accepted, for example, that the more strictly 'developmental' assistance is, the broader its socio-economic impact will be. This is particularly so with regard to 'tied aid' but it also applies to aid which comes as part of a geostrategic package, of particular relevance to this story set as it is during the early days of the Cold War. Geostrategic interests usually always place the need

for political order above the desire for socio-economic development, leading to development programmes which tend to strengthen inequitable and élite-based structures of power. One of the most consistent and vocal critics of development assistance, Peter Bauer, has gone so far as to argue that development assistance is inherently political and, as a result, can rarely be effective as an agent of development.<sup>5</sup> This argument has proven useful to neo-liberals eager to attack and reduce entrenched aid budgets in the western world; it has proven less helpful to those who disagree with his blanket indictment of foreign assistance and are interested in improving its effectiveness. The real question, therefore, is one of minimizing the political factor in the formulation and implementation of aid programmes.

In this regard, Britain's programme of development assistance for the Middle East stands out as interesting. The programme was initially designed to fulfil some lofty imperial goals. But, Britain found itself unable to back it up with money, men, and materials. Moreover, subsequent events in Palestine in 1948 and the emergence of the Cold War altered the imperial equation in the Middle East, further reducing Britain's political capital in the region, and laid bare a more problematic relationship between development and politics. This political decline continued until it reached its symbolic nadir with the debacle over the Suez invasion in the fall of 1956. Left to pick up the pieces was the Development Division of the BMEQ, no more than a handful of technical experts brought together in 1945 and based in Cairo. Originally designed to facilitate the infusions of large amounts of British technicians into the bureaucracies of the region, the BMEQ soon found itself in the front lines of policy. It became Britain's main source of development assistance, an end result which must have confirmed the skepticism of Middle East states towards Britain's lofty declarations. However, the results were paradoxical, for the failure of London to back up the BMEQ with technicians and finance in its formative years freed it from the political shackles which greater support from London would have entailed. Facilitated by its location within the region and by the presence of a small number of high quality experts on its roster, the BMEQ came to acquire a reputation for impartial and quality advice. While this argument should not be taken too far – after all, its work remained confined to those states more closely allied with Britain in the postwar period, namely Iraq and Jordan, it did allow the BMEQ to emerge as a distinct and more strictly 'developmental' arm of Britain's foreign policy arsenal in the Middle East.

What of the BMEQ's approach? Here, the process of evaluation is a more complicated and contentious affair. The most dominant model in both the theory and practice of development has been that of moderniza-

tion or, perhaps better termed, Westernization. In fact, this idea of replicating the experience of 'the West' in 'the East' is inherent in the whole notion of development and assumes the existence of progressive historical forces which operate on a global basis. The challenge becomes to duplicate the conditions which led to 'take-off' in the West. For the most part, this has encouraged the formulation of abstract and academic assumptions about the role of such factors as the state, technology, capital or the market which have often had little contextual meaning or relevance, especially for the poor. Peter Bauer, for example, was very critical of the statist approaches of the 1950s and 1960s with their emphasis on the importance of economic planning and state-led development, arguing that the state had never shown such attributes in the past. Instead, he advocated a limited and minimalist role for the state whose main purpose would be confined to creating a legal framework in which the 'determinants of development', namely local institutions and attitudes, could emerge and flourish. In Bauer's opinion, it had been the 'habitual neglect' of these determinants of development, in part due to an abstract and misguided faith in the state, which had left the Third World in worse shape than it might have been had there been no economic planning at all.<sup>6</sup> According to Bauer, Third World leaders have seemed 'anxious to plan' while being 'unable to govern'.<sup>7</sup>

Bauer, of course, takes his own critique of the role of the state in the development process too far by exhibiting an equally abstracted faith in the market mechanism.<sup>8</sup> Here lies the real problem. As John Toye concluded in his work *Dilemmas of Development*, '[o]versimplified "solutions", resting on little more than the political preconceptions of a distant ideologue, are incapable of resolving the real dilemmas of development satisfactorily'.<sup>9</sup> The challenge, therefore, becomes to move away as far as possible from abstract modelling of the development process which can lead to a very directive and 'top-down' approach and adopt a more responsive and open-ended approach based on the idea of learning about development based on the conditions and experience of local communities. In short, there must be a high degree of interaction between theory and practice, with the emphasis on the practice. How far development programmes move in this direction can have a direct bearing on their effectiveness.

The approach of the Development Division of the BMEO also is interesting in this regard for it was neither wholly statist nor dogmatically neo-liberal. Certainly, the state features prominently in its own *ad hoc* analysis of the development process. This should not be surprising given Britain's experience as a colonial power in which the fostering of order was always a key priority. It was the lack of a public legal framework and the weakness



of the state apparatus which was seen by most colonial officials as the most serious obstacle to economic progress.<sup>10</sup> On the surface, one could argue that these ideas are congruent with those of Peter Bauer but there are important and subtle differences, ones which become clear in the course of the text when the BMEQ's approach is compared to the more society- and private sector-oriented one of the US Point Four programme. These subtle differences revolve around the question of how active a role the state should take in laying the groundwork for the effective functioning of markets. The BMEQ advocated a more activist role for the state. In part, this was based on the orientalist-generated assumption of the day that Islam encouraged an 'excessive' sense of individualism; it was also strongly influenced, however, by actual conditions in the region, especially in rural areas where there were pervasive problems of land concentration, land fragmentation, inequitable divisions of scarce water resources, and restricted access to reasonable credit – all of which indicated that the public realm was weak. As a result, great importance was placed on state ownership of land and water resources, particularly with regard to new settlements brought about through irrigation.<sup>11</sup> One of the first tasks of the cooperative advisers was to convince the various governments of the region to not only adopt basic laws and frameworks for cooperative activity but also to play a catalytic role in their foundation. Some of the most effective if understated work of the BMEQ was in the development of statistical services in the region which were of vital importance in subsequent state programmes of poverty alleviation and development, and great emphasis was placed on the creation of autonomous state structures which included central statistical offices, self-financing forestry departments, as well as development boards which became a major pre-occupation throughout the 1940s and 1950s.

However, these 'statist' leanings of the BMEQ should be distinguished from the development orthodoxy of the day. The latter called for 'big push' modernization strategies based on the dominant involvement of the state in programmes of infrastructural and industrial development (although pre-revolutionary Iraq's extensive programme of agricultural development which is highlighted later is an interesting exception to that rule). The BMEQ's approach was more cautious and pragmatic. It criticized strategies of 'forced industrialization' and was more apt to target its development policies at the agricultural sector where the majority of the population of the region lived and worked.<sup>12</sup> It was not until the late 1950s that an industrial advisor appeared on the roster of the BMEQ, this perhaps reflecting a calculation on its part that the region had progressed to the next 'stage of development'. Moreover, the BMEQ looked upon large-scale projects, even in the agricultural sector, as unsustainable

without first enhancing local administrative capacity. As a result, it tended to base its approach on small-scale pilot projects, appropriate technology, and the use of local rather than foreign resources. Thus, rather than assume the existence of a strong and effective state apparatus, something of which *étatist* planners and neo-liberals have both been guilty, the BMEO showed greater sensitivity to the institutional aspects of the development process, hitherto a neglected aspect of development planning.<sup>13</sup> This highlighting of the need to build up public institutions came as a direct result of the BMEO's more pragmatic and contextually informed approach.

A final factor influencing the effectiveness of development assistance revolves around the question of programme delivery. The premise here is that good approaches to development can be rendered ineffective by inappropriate administrative set-ups, a point which further reinforces the above assumption that the practical realm is more important than the theoretical. A recent evaluation of the effectiveness of USAID over the last forty years, for example, has made the interesting point that swings from 'liberal' to 'conservative' approaches to promoting development within the agency have had little effect on actual performance because both approaches were implemented for the most part using the same administrative mechanisms. The report goes on to suggest that the first priority for reform in the development business is 'to change the mode of delivery'.<sup>14</sup>

It is in this light that the approach of the BMEO comes out looking particularly distinctive. Most bilateral aid programmes to this day tend to send out large numbers of technicians, build up a large administrative apparatus, and use complicated procedures of project formulation, implementation, and evaluation. Rather than promote local capacity, however, these approaches often overwhelm it and create dependencies on foreign capital, experts, and technology. This is certainly the critique which is made in the following pages of the US Point Four programme in the Middle East. The BMEO, on the other hand, lacked the resources which characterized the US and UN aid programmes and was forced to adopt a *modus operandi* which placed great emphasis on the use of local financial and human resources. In other words, it had an in-built awareness of the importance of building up local administrative capacity and promoting sustainability. This was aided by its peripatetic style which meant that advisers were never in one country long enough to dominate any one project or programme, something which also had obvious political advantages given the BMEO's origins as an instrument of British imperial policy. Finally, the BMEO operated on an informal basis devoid of the need for agreements at every step of the way and, thus, it avoided

the tendency to 'abstract, rationalize, standardize [and] control' which has become such a noted and self-defeating feature of the development industry as it now stands. Rather, it adopted a flexible and adaptive style of operating, sensitive to the weaknesses, limitations, and uncertainties of promoting development in Third World countries which is now recognized as being a prerequisite to development success.<sup>15</sup>

Thus, with regard to the above three criteria, the BMEO's report card comes out with high marks. It was able to acquire a significant degree of autonomy from the imperial imperatives coming out of London; it developed a strategy towards the promotion of development which seemed more influenced by experience and context than by doctrine and dogma; and it developed a *modus operandi* which seemed to maximize local participation in the development process. However, in making this favourable appraisal of the BMEO's approach, let there be no illusions about the extent of its economic impact. This was not very great, nor should this fact be surprising. Its resources were extremely limited, complaints about which the BMEO made repeatedly in cables and telegrams sent back to London. In addition, the resources that it did possess were spread over an expansive geographical mandate – the definition of its Middle East included such states as Ethiopia and Somalia. The BMEO also had to operate in an exceedingly inhospitable regional environment, particularly after the Suez invasion of 1956. This narrowed the opportunities for devising significant programmes of bilateral aid to those states firmly tied to Britain, namely Iraq and Jordan. Moreover, even if 'in theory' its approach might come out looking favourable, in reality the BMEO had little effect where it counted most: improved growth rates in the region and reduced rates of poverty (with the notable exception of Jordan).

Finally much of what this book seeks to examine and evaluate is of an intangible nature and is not subject to empirical verification. While based on extensive research, the conclusions presented here about the nature and effects of development assistance are at best anecdotal and, in large part, based on British sources. More material and research is needed, for example, before the effects and impact of the US Point Four programme in the Middle East can be properly evaluated; and there is an even more urgent need to uncover regional sources of material if we ever hope to come to a wider and more balanced appraisal of the effects of foreign development assistance on the economic and social development of the Middle East. What follows, therefore, is merely the opening chapter in that larger project.

The first part of the book will outline the difficult first years in the life of the Development Division of the BMEO. Chapter 1 examines the origin

of the development initiative which goes back to the experience of the Middle East Supply Centre (MESOC) during the Second World War before being revived by Bevin in the early postwar years. Chapter 2 looks at some of the innumerable financial difficulties faced by Bevin in trying to transform the development initiative into a viable tool of imperial policy. Subsequent chapters then turn to an examination of the Development Division of the BMEOC itself. Chapter 3 looks in more detail at how its distinctive approach came to evolve and the remaining chapters provide case studies of its actual work within selected Middle East countries: Iran, Iraq, and Jordan. In the course of our analysis, it will soon become clear that while the BMEOC's views towards development were not always the same nor unanimously held, those which eventually came to prevail, though perhaps forced upon it by a variety of political and economic circumstances, showed great sensitivity to the limitations as opposed to the opportunities of promoting development. With its emphasis on the personal rather than the political, on small rather than large technically perfect projects, and showing a keen awareness of the institutional constraints on the development process, the approach of the BMEOC stood in contrast to and in fact cut across the grain of most development thinking of the time let alone past techniques of British imperial diplomacy. It is the existence of this counter-approach, born in the unique and highly charged circumstances of the postwar Middle East, which sets the BMEOC apart and makes a study of its work in the 1940s and 1950s especially interesting.